

**REDACTED – FOR PUBLIC INSPECTION**

**VIA ECFS**

July 1, 2015

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**  
**WC Docket No. 14-58 - ETC Annual Reports and Certifications**

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Valliant Telephone Company (the Company), Study Area Code 432032 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made



pursuant to the FCC's June 17, 2015 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Valliant Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

**Five-Year Service Quality Improvement Plan Progress Report**

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Valliant Telephone Company requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Company's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Company's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a map of the Company's service area detailing progress toward meeting broadband

**MOSS ADAMS<sub>LLP</sub>**

deployment targets at the wire center level. This is closely guarded, privileged information that the Company does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to “cherry pick” the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Company’s access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

## MOSS ADAMS LLP

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

### **Financial Annual Report**

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Valliant Telephone Company seeks confidential treatment of its financial annual report pursuant to the June 17, 2015 *Protective Order* in WC Docket No. 10-90, *et al.*<sup>1</sup> The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Valliant Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 15-712 (rel. June 17, 2015).

**MOSS-ADAMS** LLP

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Deb Morgan". The signature is fluid and cursive, with the first name "Deb" being more prominent than the last name "Morgan".

Deb Morgan  
Authorized Representative for  
Valliant Telephone Company

DM/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. Tommy Dorries, Valliant Telephone Company

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	432032
<015> Study Area Name	VALLIANT TEL CO
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Tommy Dorries
<035> Contact Telephone Number: Number of the person identified in data line <030>	5809334400 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	telephon@valliant.net

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
-----------------------------------	----------------------------------	----------------------------------

<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 432032ok510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 432032ok610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> 432032ok1010.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	Tommy Dorries 5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valliant.net
<110>	Has your company received its ETC certification from the FCC?	<input type="radio"/> (yes / no) <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes / no) <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

432032ok112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	<table><tr><td>Yes</td></tr></table>	Yes
Yes			
<114>	Report how much universal service (USF) support was received	<table><tr><td>Yes</td></tr></table>	Yes
Yes			
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	<table><tr><td>Yes</td></tr></table>	Yes
Yes			
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	<table><tr><td>Yes</td></tr></table>	Yes
Yes			
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	<table><tr><td>Yes</td></tr></table>	Yes
Yes			
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<table><tr><td>Not Applicable</td></tr></table>	Not Applicable
Not Applicable			

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valliant.net

[illegible]





(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext .
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net
<810>	Reporting Carrier	Valliant Telephone Company
<811>	Holding Company	Not Applicable
<812>	Operating Company	Valliant Telephone Company

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valliant.net

<910>	Tribal Land(s) on which ETC Serves	Chocataw Nation of Oklahoma
-------	------------------------------------	-----------------------------

432032ok920 .pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.3.13(a)(9) includes:

[illegible]

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
<922>	Feasibility and sustainability planning;
<923>	Marketing services in a culturally sensitive manner;
<924>	Compliance with Rights of way processes
<925>	Compliance with Land Use permitting requirements
<926>	Compliance with Facilities Siting rules
<927>	Compliance with Environmental Review processes
<928>	Compliance with Cultural Preservation review processes
<929>	Compliance with Tribal Business and Licensing requirements.

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<b>(1200) Terms and Condition for Lifeline Customers</b>		FCC Form 481
<b>Lifeline</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
<b>Data Collection Form</b>		July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net

432032ok1210.pdf
------------------

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220>	Link to Public Website	HTTP	Name of Attached Document
--------	------------------------	------	---------------------------

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

**(2000) Price Cap Carrier Additional Documentation**

**Data Collection Form**

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	
<015>	Study Area Name	432032
<020>	Program Year	VALLIANT TEL CO
<030>	Contact Name - Person USAC should contact regarding this data	2016
<035>	Contact Telephone Number - Number of person identified in data line <030>	Tommy Dorrles
<039>	Contact Email Address - Email Address of person identified in data line <030>	560553400 ext. telephone@valliant.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)i}
- <2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}
- <2011b> Attachment {47 CFR § 54.313(b)(1)ii}


Name of Attached Document(s) Listing Required Information

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
- <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
- <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
- <2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}


**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

Certification Support Used to Build Broadband

--

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification


<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

--

- <2021> Interim Progress Community Anchor Institutions

--

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	580933400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valiant.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)	Progress Report on 5 Year Plan	
	Milestone Certification (47 CFR § 54.313(f)(1)(ii))	<div>432032ok3010.pdf</div>

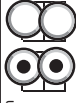
Name of Attached Document Listing Required Information



(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	<div>432032ok3012.pdf</div>
--------	---	-----------------------------

Name of Attached Document Listing Required Information



(Yes/No)  
(Yes/No)

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(3014) If yes, does your company file the RUS annual report

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:



(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)



(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	<div>432032ok3017.pdf</div>
--------	---	-----------------------------

Name of Attached Document Listing Required Information



(Yes/No)

(3018) If the response is no on line 3014, Is your company audited?

(3019) If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications



(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit



If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,



(3023) Underlying information subjected to a review by an independent certified public accountant



(3024) Underlying information subjected to an officer certification.



(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



(3026) Attach the worksheet listing required information

	<div></div>
--	-------------

Name of Attached Document Listing Required Information



(3000) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

Data Collection Form

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	580933400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valliant.net

Financial Data Summary	
(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

**Certification - Reporting Carrier  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	432032
<015> Study Area Name	VALLIANT TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035> Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	telephon@valliant.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

<b>Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>	
I certify that (Name of Agent) <u>Deb Morgan</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Deb Morgan</u>
Name of Reporting Carrier:	<u>VALLIANT TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>07/01/2015</u>
Printed name of Authorized Officer:	<u>Tommy Dorries</u>
Title or position of Authorized Officer:	<u>owner vice presidewnt</u>
Telephone number of Authorized Officer:	<u>5809334400 ext.</u>
Study Area Code of Reporting Carrier:	<u>432032</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

<b>Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>VALLIANT TEL CO</u>
Name of Authorized Agent or Employee of Agent:	<u>Deb Morgan</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>07/01/2015</u>
Printed name of Authorized Agent or Employee of Agent:	<u>Deb Morgan</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Manager</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5123432544 ext.</u>
Study Area Code of Reporting Carrier:	<u>432032</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	5809334400 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	telephone@valliant.net

[illegible]

**LINE 112- FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN  
PROGRESS REPORT**

[REDACTED]

[REDACTED]

[REDACTED]

**2015 Service Quality Improvement Plan – Progress Report**

Exchange	Description of Improvement	2015 Forecast	2015 Progress (Jan.-Jun.)
Millerton	[REDACTED]	[REDACTED]	[REDACTED]
Rufe	[REDACTED]	[REDACTED]	[REDACTED]
Valliant	[REDACTED]	[REDACTED]	[REDACTED]
<b>GRAND TOTAL</b>		[REDACTED]	[REDACTED]

**2015 Progress Report Description**

[REDACTED]



LEGEND

Vaillant Telephone  
Service Area

DATE CREATED: 06/03/2015

DATE REVISED: 06/03/2015

DRAWN BY: KP

NP

N



SCALE: NTS

COUNTRY: Vaillant Telephone

Company, Inc.

SYSTEM: Vaillant Telephone

2015 Update

MAP: Vaillant Telephone

Service Area

1 OF 1







## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Valliant Telephone Company (the “Company”) complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Company operates are outlined in its member services tariff, which is approved by the Oklahoma Corporation Commission (“OCC”). The tariff contains provisions regarding the Company’s customer service and protection practices.

Service quality standards for voice service are established by the OCC. The Company consistently meets or exceeds those standards and provides reports to the OCC, in accordance with the OCC’s rules.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a “best effort” service and are dependent upon a number of variables, many of which are outside the control of the Company.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC’s Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company’s compliance with CPNI rules and a description of the Company’s operating procedures that ensure compliance are filed annually with the FCC.

## **LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS**

Valliant Telephone Company certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup>. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations including demonstration that it has a reasonable amount of back-up-power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

## **LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION**

Valliant Telephone Company (Valliant or the Company) provides service within the territory of the Choctaw Nation of Oklahoma.<sup>1</sup>

During the reporting period of 2014, the Company had not been contacted by any representative of the Tribe about the Company's service offerings. The Choctaw's tribal council has never indicated any interest in meeting with Valliant to discuss our business or residential service offerings that Valliant provides to local and wireless customers. Valliant will continue to market our service offerings to potential residential customers within the Choctaw community that are located in our service area.

---

<sup>1</sup> FCC Public Notice, DA12-1165, released July 19, 2012, footnote 2, states, "In the context of the *USF/ICC Transformation Order*, "Tribal lands" is defined as "any federally recognized Indian tribe reservation, pueblo or colony, including former reservations in Oklahoma..."

## **LINE 1010 – VOICE SERVICES RATE COMPARABILITY**

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").<sup>1</sup>

In all of the exchanges served by Valliant Telephone Company ("the Company"), the single-line residential local rate, including any mandatory extended area service charge, is \$16.00. When the federal SLC (\$6.50) and the state universal service fee (\$.34) are included, the rate becomes \$22.84. Therefore, the Company's pricing of fixed voice services is less than the reasonable comparability benchmark of \$47.48.

---

<sup>1</sup> *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

## **LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS**

Residential customers (non-tribal) of Valliant Telephone Company (“the Company”) who qualify for the Lifeline Program receive a federal discount of \$9.25. Tribal customers receive a federal discount of \$21.50.

The Lifeline single-line residential rate (non-tribal), including any mandatory extended area service charge and the federal subscriber line charge (“SLC”) is **\$13.25** (\$22.50 standard rate - \$9.25 discount). This rate is applicable in all of Valliant’s exchanges: Millerton, Rufe, and Valliant.

The Lifeline single-line residential rate for Tribal customers, including any mandatory extended area service charge and the federal subscriber line charge (“SLC”) is **\$1.00** (\$22.50 standard rate - \$21.50 discount). This rate is applicable in all of Valliant’s exchanges: Millerton, Rufe, and Valliant exchanges.

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer’s choosing. Customers may elect to subscribe to toll blocking at no charge.

The Company does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Company reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as information-related services and custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

The attached pages from the Company’s Telephone Services Tariff include the terms and conditions for Lifeline Service.

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

14.093dd

AT

A. Applicability

1. Lifeline Service is a voice telephony service assistance program designed to provide eligible residential customers with a credit to be applied to the price of Residential voice telephony service.
2. Eligible customers will receive a credit as set forth in Section IV. Lifeline Credits below, to be applied to their Residential voice telephony service.
3. Customers shall not receive more than one Lifeline credit regardless of the number of residential voice telephony services or locations the customer receives service within the State of Oklahoma.
4. Lifeline Service shall not be available on a retroactive basis.

B. Designated Services Available to Lifeline Customers (<sup>1</sup>)

The following services shall be offered to eligible Lifeline customers:

1. voice telephony services that provide voice grade access to the public switched network or its functional equivalent;
2. minutes of use for local service provided at no additional charge to end users;
3. access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and
4. toll limitation services to qualifying low-income consumers as provided in 47 CFR §54.400.

C. Eligibility Requirements for Lifeline Service On Non-Tribal Lands

1. The customer, one or more of the customer's dependents, or the customer's household (applicant) seeking Lifeline service credit must provide documentation to the Company establishing that the applicant meets one or more of the following eligibility requirements prior to receiving the Lifeline service credit.

AT

Public Utility Division  
201400093dd  
Tariff Sheets Approved  
per 165:55-5-10(c)  
Issued: 10-31-14

Lifeline service may not be disconnected for non-payment of toll charges.



**LOCAL EXCHANGE SERVICE**

AT

**IV. LIFELINE SERVICE**

**C. Eligibility Requirements for Lifeline Service On Non-Tribal Lands (Continued)**

- a. The applicant must receive benefits from one of the following federal assistance programs: Medicaid; Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps); Supplemental Security Income; Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program; National School Lunch Program's free lunch program; or Temporary Assistance for Needy Families; or
  - b. An applicant's household income as defined in 47 CFR § 54.400(f) must be at or below 135% of the Federal Poverty Guidelines for a household of that size; or
  - c. Participate in or receive assistance or benefits, as certified by the Oklahoma Department of Human Services, under a program providing Temporary Assistance to Needy Families; Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps); Medical Assistance or Medicaid; or Supplemental Security Income.
  - d. Participate in or receive assistance or benefits, as certified by the State Department of Rehabilitation services, under a program providing vocational rehabilitation, including aid to the hearing impaired; or
  - e. Participate in or receive assistance or benefits, as certified by the Oklahoma Tax Commission, pursuant to the Sales Tax Relief Act, 68 O.S. § 5011 et seq.
2. In addition to meeting the qualifications provided in paragraphs a. through e. above, in order to constitute a qualifying low-income applicant, an applicant must not already be receiving a Lifeline service, and there must not be anyone else in the applicant's household subscribed to a Lifeline service.
  3. The eligibility requirements listed above will be certified to by the applicant or the applicable state agency. The Company assumes no responsibility for the certification of customers or applicants eligibility.
  4. Upon receipt of the applicant's documentation, in accordance with 47 CFR § 54.410, establishing eligibility for Lifeline credit, and the Company's provisioning of Lifeline service to the applicant the Company will begin providing the credit.

AT

Public Utility Division  
201400093dd  
Tariff Sheets Approved  
per 165:55-5-10(c)  
Issued: 10-31-14



**LOCAL EXCHANGE SERVICE**

**IV. LIFELINE SERVICE**

**C. Eligibility Requirements for Lifeline Service On Non-Tribal Lands (Continued)**

5. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually, in accordance with 47 CFR § 54.410.
6. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

~~Lifeline Credits for Lifeline Service On Non-Tribal Lands~~

Monthly Credit

Federal Lifeline Credit:

\$9.25<sup>1</sup>

AT

AT

Pursuant to OAC 165:55-13-14 (c) the credit applied will not exceed the total of the federal end user charge and the residential local exchange rate, less \$1.00. If no instance with a subscriber's monthly local exchange rate be less than \$1.00 after the application of the Lifeline Credits.

Issued: 10-31-14

Legal Authority: OAC 165:55-5-10(c)

Effective: 11-1-14

Public Utility Division  
201400093 Approved  
Tariff Sheets  
per 165:55-5-10(c)

**LOCAL EXCHANGE SERVICE**

**IV. LIFELINE SERVICE**

AT

**E. Eligibility Requirements for Lifeline Service On Tribal Lands**

1. The customer, one or more of the customer's dependents, or the customer's household (applicant) seeking Lifeline service credit must provide documentation to the Company establishing that the applicant meets one or more of the following eligibility requirements prior to receiving the Lifeline service credit.
  - a. The applicant must receive benefits from one of the following federal assistance programs: Medicaid; Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps); Supplemental Security Income; Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program; National School Lunch Program's free lunch program; or Temporary Assistance for Needy Families; or
  - b. An applicant's household income as defined in 47 CFR § 54.400(f) must be at or below 135% of the Federal Poverty Guidelines for a household of that size; or
  - c. Participate in or receive assistance or benefits, as certified by the Oklahoma Department of Human Services, under a program providing Temporary Assistance to Needy Families; Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps); Medical Assistance or Medicaid; or Supplemental Security Income.
  - d. Participate in or receive assistance or benefits, as certified by the State Department of Rehabilitation services, under a program providing vocational rehabilitation, including aid to the hearing impaired; or
  - e. Participate in or receive assistance or benefits, as certified by the Oklahoma Tax Commission, pursuant to the Sales Tax Relief Act, 68 O.S. § 5011 et seq.
  - f. A customer who lives on Tribal lands is eligible for Lifeline service as a "qualifying low-income consumer" as defined by 47 CFR § 54.400(a) and as an "eligible resident of Tribal lands" as defined by 47 CFR § 54.400(e) if that customer meets the qualifications for Lifeline specified in paragraphs a. through e. above or if the customer, one or more of the customers dependents, or the

AT

Public Utility Division  
201400093dd  
Tariff Sheets Approved  
per 165:55-5-10(c)



LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

E. Eligibility Requirements for Lifeline Service On Tribal Lands (continued)

customers household participates in one of the following Tribal-specific federal assistance programs: Bureau of Indian Affairs general assistance; Tribally administered Temporary Assistance for Needy Families; Head Start (only those households meeting its income qualifying standard); or the Food Distribution Program on Indian Reservations.

2. In addition to meeting the qualifications provided in paragraphs a. through e. above, in order to constitute a qualifying low-income applicant, an applicant must not already be receiving a Lifeline service, and there must not be anyone else in the applicant's household subscribed to a Lifeline service.
3. The eligibility requirements listed above will be certified to by the applicant or the applicable state agency. The Company assumes no responsibility for the certification of customers or applicants eligibility.
4. Upon receipt of the applicant's documentation, in accordance with 47 CFR § 54.410, establishing eligibility for Lifeline credit, and the Company's provisioning of Lifeline service to the applicant the Company will begin providing the credit.
5. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually, in accordance with 47 CFR § 54.410.
6. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

Lifeline Credits for Lifeline Service On Tribal Lands

	<u>Monthly Credit</u>
Federal Lifeline Credit:	\$34.25 <sup>2</sup>

Public Utility  
201400090000  
Tariff Sheets Approved  
per 165:55-5-10(c)  
Issued: 10-31-14

2. Pursuant to OAC 165:55-13-14 (c) the credit applied will not exceed the total of the federal end user charge and the residential local exchange rate, less \$1.00. In no instance will a subscriber's monthly local exchange rate be less than \$1.00 after the application of the Lifeline Credits.

**LINE 3010 – MILESTONE CERTIFICATION**

Valliant Telephone Company (the “Company”) hereby certifies that the Company has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

**LINE 3012 – COMMUNITY ANCHOR INSTITUTIONS**

Valliant Telephone Company did not newly deploy broadband service to any community anchor institutions in the preceding calendar year (2014).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<p>USDA-RUS</p>  <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Valliant Telephone Company</p> <p style="text-align: center;">(Prepared with Audited Data)</p>	
<p><i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i></p>	<p>PERIOD ENDING</p> <p>December, 2014</p>	<p>BORROWER DESIGNATION</p> <p>OK0554</p>
<p style="text-align: center;"><b>CERTIFICATION</b></p> <p><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i></p> <p><b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b></p> <p style="text-align: center;"><b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> (Check one of the following)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="width: 45%;"> <p><input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;"> <p style="text-align: center;">robert prince</p> <hr style="width: 100%;"/> </div> <div style="width: 30%;"> <p style="text-align: center;">6/30/2015</p> <hr style="width: 100%;"/> <p style="text-align: center;">DATE</p> </div> </div>		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			<b>46. Total Long-Term Debt (36 thru 45)</b>		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
<b>23. Net Plant (18 thru 21 less 22)</b>			56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins		
			<b>58. Total Equity (51 thru 57)</b>		
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>		

Total Equity =            % % of Total Assets

USDA-RUS

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OK0554

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

## PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
<b>14. Total Operating Expenses (8 thru 13)</b>		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
<b>20. Total Operating Taxes (17+18+19)</b>		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

<div>USDA-RUS</div> <div>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div> <div>INSTRUCTIONS - See RUS Bulletin 1744-2</div>						<div>BORROWER DESIGNATION</div> <div>OK0554</div> <div>PERIOD ENDED</div> <div>December, 2014</div>	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Valliant							
Millerton							
Rufe							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							



<p align="center">USDA-RUS</p> <p align="center"><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p> <p align="center"><i>INSTRUCTIONS - See RUS Bulletin 1744-2</i></p>							<p>BORROWER DESIGNATION OK0554</p> <p>PERIOD ENDED December, 2014</p>	
<p align="center"><b>Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, &amp; HIGH SPEED DATA INFORMATION</b></p>								
<p align="center"><b>4. BROADBAND SERVICE</b></p>								
<p align="center"><b>Details on Least Expensive Broadband Service</b></p>								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Valliant							StandAlone	DSL
Millerton							StandAlone	DSL
Rufe							StandAlone	DSL
Total								

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>			BORROWER DESIGNATION OK0554  PERIOD ENDING December, 2014		
INSTRUCTIONS- See RUS Bulletin 1744-2					
<b>PART D. SYSTEM DATA</b>					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
<b>PART E. TOLL DATA</b>					
1. Study Area ID Code(s)  a. _____ b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis  Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis			
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>					
<b>INVESTMENTS</b>  (a)	<b>CURRENT YEAR DATA</b>		<b>CUMULATIVE DATA</b>		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

<p align="center"><i>USDA-RUS</i></p> <p align="center"><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p>BORROWER DESIGNATION</p> <p>OK0554</p>
	<p>PERIOD ENDING</p> <p>December, 2014</p>

**PART H. CURRENT DEPRECIATION RATES**

<p>Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)</p>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
--	---

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

--

USDA-RUS		BORROWER DESIGNATION OK0554	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2014	
		INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)			
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income			
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation			
4. Add: Amortization			
5. Other (Explain) Net adjustments not reflected below			
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable			
7. Decrease/(Increase) in Materials and Inventory			
8. Decrease/(Increase) in Prepayments and Deferred Charges			
9. Decrease/(Increase) in Other Current Assets			
10. Increase/(Decrease) in Accounts Payable			
11. Increase/(Decrease) in Advance Billings & Payments			
12. Increase/(Decrease) in Other Current Liabilities			
13. Net Cash Provided/(Used) by Operations			
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable			
15. Increase/(Decrease) in Notes Payable			
16. Increase/(Decrease) in Customer Deposits			
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)			
18. Increase/(Decrease) in Other Liabilities & Deferred Credits			
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital			
20. Less: Payment of Dividends			
21. Less: Patronage Capital Credits Retired			
22. Other (Explain) Adjustment to deferred income taxes			
23. Net Cash Provided/(Used) by Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)			
25. Other Long-Term Investments			
26. Other Noncurrent Assets & Jurisdictional Differences			
27. Other (Explain) Noncash adjustments			
28. Net Cash Provided/(Used) by Investing Activities			
29. Net Increase/(Decrease) in Cash			
30. Ending Cash			

Revision Date 2010